

APPENDIX E

AGREEMENT WITH TOWN OF DENNYSVILLE

CONTRACT OF SALE

SELLER: SP FORESTS L.L.C., a Delaware limited liability company having a place of business at 14 Bagley Avenue, Bucksport, Maine, 04416, and INTERNATIONAL PAPER COMPANY, a New York corporation having a place of business at 9 Green Street, Augusta, Maine, 04330, (hereinafter collectively referred to as "Seller").

BUYER: MAINE ATLANTIC SALMON COMMISSION, an entity of the State of Maine having a place of business at 40 Western Avenue, 172 State House Station, Augusta, Maine 04333.

I. SALE AND PURCHASE

1.1 Sale and Purchase. Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price set forth in Section 2.2, subject to the terms and conditions contained in this Contract.

II. PROPERTY; PURCHASE PRICE

2.1 Property. The real property ("Real Property") situated in Township 14 ED, Edmunds, Marion, and Dennysville, Washington County, Maine, consisting of certain lots or parcels of land containing approximately three thousand five hundred (3500) acres more or less, shown on the map currently attached hereto as Exhibit "A", together with all and singular rights and appurtenances pertaining thereto, improvements and fixtures (collectively "the Property"). Buyer and Seller agree that the map showing the property and currently comprising Exhibit AA will be replaced with the legal description based on Buyer's survey of the Property as hereinafter provided and that a reduced copy of the survey, initialed by Seller and Buyer, when available, will be attached hereto as Exhibit "B". A portion of the Property has frontage on a public highway. Seller is not otherwise conveying deeded access to the Property.

2.2 Purchase Price. The purchase price shall be based on three hundred fifteen dollars (\$315) per acre for the actual number of acres as determined by the survey.

2.3 Payment of Purchase Price. The Purchase Price shall be payable to Seller at Closing as follows:

By Buyer delivering to Seller at Closing by cashier's or certified check, or current wire transfer of presently available federal funds to Seller's designated account, or by other evidence of current funds acceptable to Seller, an amount equal to the Purchase Price.

III. DEED, TITLE, SURVEY, INVESTIGATIONS, ACCESS

3.1 Form of Deed. Fee title to the surface rights will be conveyed by SP Forests, L.L.C.. That deed will except minerals, mineral rights, subsurface materials, extractable subsurface materials and deposits. The subsurface rights will be conveyed by International Paper Corporation as provided herein. The conveyances will be accomplished by Quitclaim Deeds with Covenant from the respective grantors in the form of Exhibit "C" and Exhibit "D" attached, further subject to the following:

- (i) the current year's ad valorem taxes (which will be prorated as of the date of closing) and rollback taxes, if any;
- (ii) all matters of record, licenses, existing timber deeds, if any, rights of way, easements, conditions, restrictions, zoning laws, ordinances, regulations, and other matters affecting the Property;
- (iii) any state of facts which an accurate survey or an inspection of the Property would reveal, including, but not limited to, the location of boundary lines, improvements and encroachments, if any; and
- (iv) all previous reservations, exceptions and conveyances of record of all oil, gas and other mineral and/or royalty rights and interests and leases on any of said Premises, and all other subsurface materials and extractable subsurface materials and deposits.
- (v) the reservation of two rights of way for ingress and egress for forest management and forest harvesting operations and surface utilities, being the rights of way shown on the map currently comprising Exhibit A, which rights of way shall also be indicated on the survey to be later attached as Exhibit B.

3.2 Title. Buyer may, at Buyer's sole expense, obtain such title assurances as Buyer deems appropriate. If Buyer elects to obtain such title assurances, Buyer shall have ninety (90) business days after the Effective Date of this Agreement, as defined in paragraph 8.13 hereof, to obtain a title commitment regarding the Property. Buyer shall have five (5) business days after receipt of the title commitment to notify Seller in writing of those unacceptable title conditions, if any, which prevent the conveyance of marketable title to the Property as defined in accordance with the Title Standards of the Maine State Bar Association, which such conditions will be dealt with in the manner set forth in 3.5 below.

The cost of any title searches, title opinions or title insurance policies shall be the responsibility of the Buyer. Seller shall provide Buyer with copies of any existing title

information in the possession of Seller within ten (10) business days after the Effective Date of this Contract.

3.3 Survey. Buyer agrees to obtain a land survey of the Property prepared by a Maine Registered Land Surveyor acceptable to Seller. Any such survey shall be at the Buyer=s sole cost and expense and subject to Seller=s approval. All lines and corners will be located on the ground. Corners shall be monumented with appropriate iron pins and all lines cleared (swamped) and marked (blazed and painted) and in substantially the location shown on the map currently comprising Exhibit AA. Such survey must be completed and received by Buyer at least thirty (30) days prior to closing. Buyer agrees to furnish a copy to Seller within three (3) days of Buyer=s receipt of the survey. Buyer shall have five (5) business days after Buyer=s receipt of the survey to notify Seller in writing of any conditions revealed by the survey unacceptable to Buyer, which such conditions shall be dealt with in the manner set forth in 3.5 below. The description in the deed shall be taken from such survey. It is understood and agreed that the Property shall not be damaged or left in a disorderly or unsightly condition from such activity.

3.4 Investigations. Seller agrees that Buyer shall have thirty (30) business days from the Effective Date of this Agreement in which to make all inspections or investigations desired by Buyer with respect to the Property or any portion thereof, including, but not limited to, water, soil, septic system, and engineering tests, site assessment tests for hazardous wastes, toxic substances, and for the existence of any underground tanks and to receive reports thereof. Buyer and Seller acknowledge that silvicultural chemicals from time to time have been applied on the Property and the existence of these chemicals may be present on the Property.

Buyer, through Buyer=s authorized agents or representatives, shall be entitled to enter upon the Property at all reasonable times and upon reasonable prior notice to Seller. Upon the completion of inspections or investigations, Buyer shall promptly restore the Property to its former condition and remove all debris and other material therefrom. Within five (5) days of Buyer=s receipt of any written report(s) or inspection(s) of the Property, Buyer shall furnish a copy of the report(s) / inspection(s) to Seller together with written notice of any conditions unacceptable to Buyer which shall be dealt with in the manner set forth in 3.5 below. Unless required by the Freedom of Access statute, the results of such inspections or investigations shall be treated as strictly confidential by Buyer and the same shall not be disclosed to any third party or governmental entity (provided, however, that such results may be disclosed only to Buyer=s consultants or attorneys who shall similarly treat such results as strictly confidential).

Buyer hereby covenants and agrees to maintain a policy of insurance, at its expense, in a form and amount acceptable to Seller, that will insure Seller as a named insured against any loss, liability, costs, claims, damages, demands, actions, causes of action, and suits caused by the exercise of Buyer conducting the inspections under this paragraph. This indemnity shall survive the Closing or the earlier termination of this Contract.

3.5 Obligation to Cure. Seller shall have the option, but not the obligation, to eliminate or modify any such unacceptable condition(s) under this section and shall so notify Buyer of Seller=s election within five (5) business days after receipt of Buyer=s notification. In the event Seller elects to satisfy the written objections, Seller shall have ten (10) business days or such other reasonable time as the parties may agree, from the date of Seller=s notice to Buyer in which to do so. In the event Seller is unwilling or unable to modify such unacceptable condition to the reasonable satisfaction of Buyer, Buyer shall have the option to either (a) terminate this Agreement; or b) waive such objections and accept title to the Property subject to such unacceptable items and Buyer and Seller agree to negotiate in good faith to establish an adjusted purchase price. If the parties are unable to reach an agreement upon such price within seven (7) days after such notice, then the Buyer or Seller shall have the right to terminate this agreement within seven (7) days thereafter, after which this agreement shall be null and void, except as to obligations of the parties surviving termination as provided elsewhere in this agreement. In the event the price is adjusted, then such adjusted price thereafter shall constitute the Purchase Price under this agreement.

In the event Seller elects not to eliminate or modify any unacceptable condition as provided in the foregoing paragraph, Buyer, with Seller=s prior written consent, shall have the right but not the obligation to eliminate or modify any such unacceptable condition and be entitled to an adjustment to the Purchase Price negotiated on the basis described above.

3.6 Waiver: In the event Buyer does not elect to undertake the actions described in subparagraphs 3.2, 3.3 and 3.4 above, and/or to provide notice of objections within the specified time periods, Buyer shall be deemed to have waived the objections.

3.7 Access: Buyer acknowledges that the property has either access from a public way, Route 86, or other access deemed sufficient by Buyer, for the construction of an access road and utilities; said access to be consistent with current wildlife management policies of the State of Maine.

IV. CONDITIONS TO CLOSE

4.1 Funding. Notwithstanding anything in this Contract to the contrary, Buyer=s obligations are subject to funding from the Land for Maine=s Future Fund and the National Fish and Wildlife Fund and shall not create any obligation on behalf of the Buyer in excess of such funding. In the event that Buyer is not in receipt of the amount of necessary funding by September 30, 2001 and Buyer is unable to perform Buyer=s obligations under this Contract, then Buyer shall have the right to terminate this Contract by giving written notification to Seller by October 1, 2001.

4.2 Approval. Buyer=s obligations hereunder are subject to the approval of the Land for Maine=s Future Board and the Governor of the State of Maine. In the event this

Contract is not approved within ninety (90) days following its Effective Date, Buyer may terminate this Contract by written notice to Seller immediately upon expiration of said ninety (90) day period.

4.3 Consent. In the event the Buyer determines that acquisition of the Property by Buyer under applicable law requires the consent of the municipality in which the Property is located due either to the size or value of the parcel, or to the use by Buyer of powers of eminent domain, then this Contract shall be contingent upon the receipt by Buyer of such consent no later than ninety (90) days following the effective date of this Contract.

4.4 Qualified Conservation Holder. The sale of the property located in Edmunds Township and Township 14 shall be contingent upon written confirmation from the Maine Land Use Regulation Commission, satisfactory to Seller, that the Maine Atlantic Salmon Commission qualifies as a qualified conservation holder, as that term is defined in the Land Use Regulation Commission's regulations, chapter 10.17, B, 9, or that the lots otherwise qualify as conservation lots pursuant to the same section, in which case the deed will contain the condition that any transfer of the conservation lot(s) within 20 years of creation must be made for the uses and to a qualified conservation holder as required in chapter 10.17, B, 9.

V. CLOSING DATE, DELIVERIES, POSSESSION, COSTS

5.1 Closing Date. Unless otherwise extended as provided elsewhere herein, the closing (the "Closing") shall take place on or before **December 31, 2001** (the "Closing Date") at the offices of the Maine Atlantic Salmon Commission in Augusta, Maine, or at such other time and location as the parties may agree.

5.2 Deliveries by Seller. Seller shall deliver or cause to be delivered to Buyer at Closing:

(a) An affidavit from Seller stating that Seller is not a foreign person as defined in Section 1445 of the Internal Revenue Code; and

(b) An REW-3 Residency Affidavit certifying Seller qualifies as a resident as defined in 36 MRSA § 5250-A.

(c) Evidence that Buyer has the full right and authority to enter into this Contract and to consummate or cause to be consummated the transactions contemplated by this Agreement.

5.3 Delivery by Buyer. Buyer, in order to close the sale, shall deliver to Seller at Closing:

(a) The payment described in Section 2.4;